



Improving the lives of older Americans

National Center for Benefits Outreach and Enrollment

Helping Seniors and Adults with Disabilities Access Benefits

Health Care Reform and Your Clients

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What we will cover

- Introducing the Patient Protection and Affordable Care Act of 2010 (PPACA)
- How PPACA affects your clients with Medicare in 2010
- What happens to your clients with Medicare in 2011 and beyond
- PPACA and your clients in Medicare Advantage
- Selected Medicaid provisions in PPACA that could affect your clients
- PPACA and you – benefits counseling support and PPACA
- Resources
- Next training

Introducing PPACA

- A brief history of a huge legislative cliff-hanger:
 - Over a year of proposals, revisions, and heated debate
 - House adopted bill Senate had passed on December 24, 2009
 - President signed into law
 - House passed a reconciliation bill and sent to Senate in March 2010
 - Senate made two minor corrections and send back to House, which passed the amended reconciliation bill
 - President signed the reconciliation into law on March 23, 2010.
- And now health care reform is law

How PPACA affects your clients with Medicare in 2010: \$250 rebate

- One PPACA measure changes Medicare Part D for some of your clients right now
 - \$250 rebate in Part D coverage gap
 - Waiting on CMS regulatory guidance, but,
 - To be distributed quarterly through CMS
 - No action needed by your clients

How PPACA impacts your clients with Medicare in Fall 2010: LIS beneficiaries

- It is expected that fewer LIS beneficiaries subject to reassignment this fall because:
 - Calculation of regional low-income benchmark will be done in a way that should assure more benchmark plans everywhere
 - Plan sponsors may adopt an optional de minimus policy so that their full LIS members wouldn't pay any part of the premium, even if it was slightly above the benchmark – by an amount determined by CMS
- Concurrently, through regulation CMS has decided not to reassign so-called “choosers” – they will continue to get notices warning them that they may have to pay a premium if they do not join a new benchmark plan for 2011
 - All “choosers” will get the notice, no matter when they originally opted out of the plan to which CMS originally assigned them

PPACA and your clients in 2011 and beyond:

Part D Coverage Gap

- The Part D coverage gap is gradually closed by 2019 for most people with Medicare
 - Accomplished through discounts and subsidies on both brand and generic drugs
 - Exceptions for people who:
 - pay higher Parts B and D premiums, and
 - who have LIS/Extra Help and do not have a coverage gap

PPACA and your clients as of January 2011 and beyond: Annual wellness visit

- Your clients can get an annual wellness visit:
 - Every 12 months, starting 12 months after the Welcome to Medicare exam
 - No cost sharing for this visit,
 - Consists of a personal risk assessment and prevention plan services:
 - Examination for height, weight body mass index, blood pressure and other routine measurements
 - Detection of cognitive impairment
 - Updates to medical and family history
 - List of risk factors, recommended interventions and treatment options, including associated risks
 - Personalized health advice and referral to preventive and educational programs
 - List of all health care providers and suppliers
 - Screening schedule for next 5-10 years

PPACA and your clients as of January 2011 and beyond: covered screening and preventive services

- No out-of-pocket cost-sharing for most Medicare-covered preventive and screening services
 - Part B deductible (\$155 in 2010) waived
 - No co-insurance charges

PPACA and your clients in 2011 and beyond: Medicare Advantage OEP

- Medicare Advantage Open Enrollment Period is changed:
 - Timing: January 1 – February 15, 2011
 - Your clients in Medicare Advantage may *only* use this new enrollment period to disenroll from Medicare Advantage and go into Original Medicare
 - In conjunction with using this enrollment option, they get:
 - A Special Enrollment Period to join a Prescription Drug Plan, and
 - A guaranteed issuance right to buy certain Medigap policies for sale in your state, A, B, C, F, K, L, M, N

PPACA and your clients in 2011 and beyond:

Part D AEP

- Annual Enrollment Period time shifts backward
 - October 15, 2011 – December 7, 2011 for 2012 plan enrollment
 - During the AEP your clients may join, or switch Medicare Advantage *and* prescription drug plans
 - Marketing period for 2011 has not changed
 - According to 2011 Call Letter, marketing may not begin before October 1st and the Plan Finder should be live on or about October 8, 2010.

PPACA and your clients in 2011 and beyond: LIS reassignment

- In the Fall of 2011, some of some of your clients who have LIS/Extra Help will be reassigned to new benchmark plans in Fall 2011 for 2012
 - They will receive a *personalized notice* from CMS comparing the cost in their 2011 plan to their cost in the plan to which they will be reassigned for 2012, assuming they continue to take the same prescription drugs
 - The notice will also explain how to request a coverage determination, exception and redetermination
 - This notice must arrive within 30 days of reassignment

PPACA and your clients in 2011 and beyond: LIS co-pay changes for those in Medicaid HCBS

- Your clients who are full benefit duals who receive certain kinds of Medicaid for home-based care, including those on Medicaid home and community-based waivers will pay nothing for their Part D coverage
 - No plan premium
 - No co-pays for the drugs that are on their Part D plan formulary and obtained from an in-network pharmacy

PPACA and your clients in 2011 and beyond:

Other changes

- SPAP, Indian Health Service and HIV/AIDS program payments towards drugs are counted as TrOOP
- At the other end of the income spectrum, people with Medicare who have annual incomes of \$85,000 for a single person, or \$170,000 for a married couple living together will pay higher Part D plan premiums
 - Less than 5 percent of the Medicare population is subject to income-related Part B premium adjustments and accordingly to this new rule

PPACA and your clients in 2011 and beyond: Part D exceptions and appeals

- Uniform Part D exceptions and appeals system
 - Instant access by telephone or Internet by 2012
- Related to the standardization of the Part D exceptions and appeals system, Part D plans will have to use one uniform Part D coverage form when they respond to a request for a coverage determination submitted by a member
 - To be developed by CMS
- Widely available and easily accessible complaint filing system to be developed

PPACA and your clients in Medicare Advantage

- Nobody is going to lose a Medicare Advantage plan because of PPACA
- Medicare Advantage plan sponsors make business decisions every year about:
 - staying in the Medicare market
 - what additional services to cover
 - what to charge members in premiums for the additional benefits and also cost-sharing
- Some Medicare Advantage plans may withdraw from the Medicare market, increase premiums or cost sharing or reduce extra coverage, in part because:
 - Medicare payments to plans will be the same in 2011 as in 2010
 - beginning in 2012, to reduce overpayments to plans of approximately 13 percent, payments to Medicare Advantage plans will be reduced in certain regions in which Original Medicare payments are high
 - Medicare Advantage plans providing high quality care may receive incentive payments

PPACA and your clients in Medicare Advantage, cont'd

- Same options as always for your clients
 - shop around for value in coverage and cost
 - compare Medicare Advantage options
 - look at Original Medicare with a Medigap
 - carefully explore whether your clients have Medigap guaranteed issuance rights if they are considering Original Medicare
 - make sure they do not lose Part D coverage

PPACA and your clients in Medicare Advantage plans, cont'd

- As of the 2011 plan year, Medicare Advantage plans are forbidden to charge copayments or coinsurance for certain services that would exceed the equivalent amount paid by people in Original Medicare:
 - Chemotherapy
 - Renal dialysis
 - Skilled nursing care
- Maximum out-of-pocket limits imposed on Medicare Advantage plans
- Special Needs Plans may continue through 2014
 - SNP members who do not meet the special needs criteria of such plans must be transitioned out no later than 2013
- Most Private Fee-for-Service Plans (PFFS) must have a network of providers for the 2011 plan year
 - Exception for very rural or frontier areas

PPACA and Medicaid

- Starting in 2014 Medicaid coverage is extended to people below age 65 whose income is at or under 133 percent of the Federal Poverty Limit
- Changes coming to Medicaid HCBS
- Beginning right now, some states that currently have state-funded medical assistance programs for childless adults under age 65 may be able to cover these adults with Medicaid
 - No asset test would apply to those covered by this provision
 - Such expansions could be beneficial to people getting Social Security disability benefits and waiting out the 29 months before they are entitled to Medicare

Down the road to 2014

- PPACA affirms that both Medicaid and Medicare Part D will cover benzodiazepines and barbiturates
- There will be a study of adding nominal cost-sharing to Medigap policies C and F

For you – benefits counselors

- Extended funding for MIPPA LIS/Extra Help and Medicare Savings Programs (MSPs) outreach and enrollment through FY 2012
 - More info on this coming soon
- Non-profits with 25 or fewer employees will get tax credits to help them provide health insurance for employees
- Community Living Assistance Services and Supports Act (CLASS Act)
 - A voluntary long-term care program that offers a new way to save for your own future long-term care needs
 - Opt-out insurance program
 - premiums deducted from your paycheck
 - vests in 5 years
 - If you meet coverage criteria, pays you at least \$50 per day to use as you choose to make it possible for you to stay in your own home

Related matters

- 2009 Federal Poverty Levels extended --- but only until May 31, 2010
- QI is authorized only through December 31, 2010
- Exceptions allowing coverage of out-patient rehabilitation therapy *above* the caps (\$1,860 combined maximum for PT and speech and language services and another \$1,860 for occupational therapy) extended, but only through December 31, 2010

Resources

- <http://www.mymedicarecommunity.org/attachment.php?attachmentid=411&stc=1&d=1271892238> (Assorted provisions of PPACA)
- <http://www.mymedicarecommunity.org/attachment.php?attachmentid=412&stc=1&d=1271892238> (PPACA text)
- <http://www.mymedicarecommunity.com/attachment.php?attachmentid=413&stc=1&d=1271931955> (Reconciliation text)
- <http://www.kff.org/healthreform/8060.cfm> (Health care reform implementation timeline, Kaiser Family Foundation)

Next training

- May Webinar: Changes coming to Medigap
 - How will these changes affect your clients and your benefits counseling?
 - Tentative dates:
 - Friday, May 21, 2010 at 2:00 PM eastern
 - Wednesday, May 26, 2010 at 2:00 PM eastern
 - Thursday, May 27, 2010 at 2:00 Pm eastern

Questions/comments/suggestions for future training topics?

Contact:

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Visit us on the Web at
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